

# CALIFORNIA EMPLOYER

*e-Services for Business. Online. Anytime.*

Taxpayer Assistance: 888-745-3886

Fourth Quarter 2012

## **Now available: SDI Online for your con- venience!**

The Employment Development Department is proud to announce the launching of the State Disability Insurance (SDI) Online. This interactive, user-friendly, and electronic SDI and Paid Family Leave claim filing system is designed for claimants, employers, and physicians/practitioners.

Rather than mail or fax your form, this new and advanced system will give employers the option to submit claim information online!

We highly encourage you to use the new and exciting SDI Online so you can experience the following outstanding benefits:

- Ensures complete and accurate claim information.
- Reduction in claim processing time.
- Improved access to services.
- Online features to guide and assist you.
- Electronic notification/confirmation of receipt.
- Security features protecting the claimant information/Disability Insurance fund.

For more information about our new SDI Online, visit our website at [www.edd.ca.gov/disability](http://www.edd.ca.gov/disability), or call us at 855-342-3645, and select option # 1.

## **Furnish your employees with Form W-2 by January 31**

As an employer, you are required to prepare a federal Wage and Tax Statement (Form W-2) for each of your employees. For 2012, you must provide your employees with a Form W-2 by January 31, 2013, as provided in Section 13050 of the California Unemployment Insurance Code (CUIC).

Employers who fail to provide a Form W-2 to each employee, or who furnish a false or fraudulent statement, are subject to a penalty of fifty dollars (\$50) for each such failure as imposed under Section 13052 of the CUIC.

In addition, failure to provide such form(s) may also result in a penalty imposed under Section

13052.5 of the CUIC. The amount of the penalty is determined based upon the unreported remuneration for personal services multiplied by the maximum rate (9.55 percent) provided under Section 17041 of the Revenue and Taxation Code.

For additional information on the Form W-2 reporting requirements or instructions on completing the Form W-2, please refer to the IRS Publication 15, (Circular E) Employer's Tax Guide, and the 2012 instructions for the Form W-2 and W-3, respectively. To obtain these publications, access the IRS website at [www.irs.gov](http://www.irs.gov) or call the IRS at 800-829-3676.

## **2013 Tax Rate Information Notice**

You will receive your *Notice of Contribution Rates and Statement of Unemployment Insurance (UI) Reserve Account* (DE 2088) for the period of January 1, 2013, to December 31, 2013, by December 31, 2012.

Carefully review all items on the DE 2088 as it informs each employer of their 2013 tax rates and UI reserve account activity.

For 2013, the UI taxable wage limit and the Employment Training Tax (ETT) taxable wage limit is \$7,000 per employee. The ETT rate will remain at 0.1 percent (.001). The DE 2088 also notifies employers of their 2013 State Disability Insurance (SDI) rate and taxable wage limit, and if they are subject to ETT.

For more information about the DE 2088 and/or your protest rights, refer to the *Explanation of the Notice of Contribution Rates and State-*

*ment of UI Reserve Account* (DE 2088C) or call 888-745-3886.

Please note, the Employment Development Department (EDD) is no longer processing the UI contribution rate requests on CDs and diskettes. Employers and their agents will need to go to <https://eddservices.edd.ca.gov> in the EDD's e-Service for Business to request more specific rate information.

If you have moved and have a change of address and/or agent update, please inform the EDD immediately in order to receive your DE 2088 by December 31, 2012.

## **Just a Reminder! Federal Earned Income Tax Credit Notification (EITC)**

Employers are required to notify their employees about the availability of the EITC. You must provide written notification to employees in person or by mail within one week, before or after, or at the same time, that you provide an annual wage summary, including a Form W-2 or a Form 1099.

To obtain additional information about this notification, visit [http://www.edd.ca.gov/payroll\\_taxes/earned\\_income\\_tax\\_credit\\_notification.htm](http://www.edd.ca.gov/payroll_taxes/earned_income_tax_credit_notification.htm). For additional information about the EITC, go to [www.irs.gov](http://www.irs.gov).

## **Seminars!**

The Employment Development Department offers no-fee state payroll tax seminars, either classroom-style or online. Both are designed to help employers comply with state payroll tax laws.

The classroom seminars are offered in a variety of locations throughout California. They are customized to benefit everyone - established businesses, those just getting started, individuals anticipating going into business, payroll agents - and the instructors encourage audience participation.

The online courses allow you to learn on your own, when you want, at your own pace, wherever you choose to access the Internet. For more information, visit: [http://www.edd.ca.gov/Payroll\\_Tax\\_Seminars/](http://www.edd.ca.gov/Payroll_Tax_Seminars/)

# 2013 California PIT and SDI Deposit Requirements

IMPORTANT: You may be required to submit deposits more frequently if you withhold over \$350 in Personal Income Tax withholding. See the table below.

If Your Federal Deposit Schedule/Requirement Is	And You Have Accumulated State PIT Withholding of	If Payday Is	PIT and SDI Deposit Is Due By
Next Banking Day	Less than \$350	Any day	Quarterly
	\$350 to \$500	Any day	15 <sup>th</sup> of the following month
	More than \$500	Any day	Next Banking Day
Semiweekly	Less than \$350	Any day	Quarterly
	\$350 to \$500	Any day	15 <sup>th</sup> of the following month
	More than \$500	Wed., Thurs., or Fri.	Following Wednesday
	More than \$500	Sat., Sun., Mon., or Tues.	Following Friday
Monthly	Less than \$350	Any day	Quarterly
	\$350 or more	Any day	15 <sup>th</sup> of the following month
Quarterly or Annually	Less than \$350	Any day	April 30, 2013 July 31, 2013 October 31, 2013 January 31, 2014
	\$350 or more	Any day	15 <sup>th</sup> of the following month

For more information and special situations concerning deposit rules and frequencies, refer to the *California Employer's Guide* (DE 44), visit our website at [http://www.edd.ca.gov/Payroll\\_Taxes/Required\\_Filings\\_and\\_Due\\_Dates.htm#PayrollTaxDepositDE88](http://www.edd.ca.gov/Payroll_Taxes/Required_Filings_and_Due_Dates.htm#PayrollTaxDepositDE88) or call 888-745-3886.

## Taxable Value of Meals and Lodging for 2013

Meals and/or lodging that you provide to your employees should be treated as wages for Unemployment Insurance, Employment Training Tax, and State Disability Insurance.

Meals are subject to California Personal Income Tax (PIT) withholding unless the meal is furnished to your employees on your business premises and it is for your convenience. Lodging is also subject to PIT withholding unless it is furnished for your convenience and the employee is required to accept lodging on your business premises as a condition of employment.

Each year, the value of meals and lodging is adjusted based on the cost-of-living indexes. Please use the values shown below for 2013. These values do not apply where higher values of meals and lodging are stipulated in a union agreement or contract of hire, or are required for compliance with minimum wage laws. For more information, visit our website at [www.edd.ca.gov](http://www.edd.ca.gov) or call 888-745-3886.

Employees		Maritime Employees*	
<b>Meals</b>	<b>Value</b>	<b>Licensed Personnel</b>	<b>Value</b>
Breakfast	\$2.35	Meals	\$10.90
Lunch	\$3.30	Quarters	\$ 8.30
Dinner	\$5.20	Total per day	\$19.20
3 meals per day	\$10.90	<b>Unlicensed Personnel</b>	<b>Value</b>
Meal not identified as breakfast, lunch, or dinner	\$3.80	Meals	\$10.90
		Quarters	\$ 5.65
		Total per day	\$16.55
<b>Lodging Value</b>		<b>Fishermen</b>	
The value is set at 66 2/3 percent of the ordinary rental value to the public, but not in excess of \$1,231 per month or less than \$39.90 per week.		Lodging value is \$39.90 per week and \$5.65 per day for periods of less than a week.	

\* Maritime employees' values of lodging are different than all other employees and are shown in the above table on the right. Lodging values for maritime employees apply only when the facilities meet specific minimum standards.

## Annual Interest Rate Will Be 3%

For the period January 1 through June 30, 2013, the annual interest rate will be 3 percent (0.03), compounded daily. The daily interest factor will be 0.000082. Interest is charged on all delinquent taxes, interest, and certain penalties.

If you have any questions about the annual interest rate for 2013, please call the Taxpayer Assistance Center at 888-745-3886.

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